

State of California Public Utilities Commission
San Francisco

M E M O R A N D U M

Date: August 19, 2005

To: The Commission
(Meeting of August 25, 2005)

From: President Michael R. Peevey and Commissioner Susan P. Kennedy

Subject: Policy Statement that the CPUC Support the Principle of Consumer Choice
in the Voice Communications Market.

RECOMMENDATION

That the Commission authorize Staff and General Counsel to promote this policy of consumer choice in communications and advance services deployment with all relevant agencies and policymakers at the Federal and State level.

POLICY STATEMENT

WHEREAS, Congress has supported national telecommunications policies that foster investment, advance services deployment, and technological innovation to promote robust competition in a progressively deregulated environment; and

WHEREAS, The Federal Communications Commission and State Commissions have worked collaboratively to carry out national policies to facilitate competition in the telecommunications industry while promoting universal access to reliable voice services, 911/E911 emergency services, high-speed Internet and advanced telecommunications services; and

WHEREAS, The State of California and the CPUC support policies that promote competition and ensure that consumers are able to exercise choice among voice

telecommunications service providers as competitive market forces lessen the need for traditional legacy regulation; and

WHEREAS, The Federal Communications Commission in its Triennial Review Remand Order has sunset UNE-P as an entry mechanism for competition in the local exchange market; and

WHEREAS, Consumers and businesses are increasingly using a diversity of providers and technologies to meet their communications needs, including traditionally-regulated wireline common carriers as well as other providers and services such as wireless, cable telephony and Internet-based voice service providers (VoIP); and

WHEREAS, In light of consolidation in the telecommunications industry and the absence of UNE-P, customer access to VoIP over high-speed Internet is critical to competition in the voice communications market; and

WHEREAS, Requiring customers to pay for separate “plain old telephone service” as a condition of accessing high-speed Internet service may stifle competition in the voice market by forcing customers to pay twice for voice service if they wish to utilize VoIP or wireless providers as an alternative to traditional voice service; and

WHEREAS, Requiring customers to pay for separate plain old telephone service as a condition of accessing high-speed Internet service will also discourage the deployment and adoption of advanced services as called for under Section 706 of the 1996 Telecommunications Act by making access to high-speed Internet service significantly more expensive for customers who do not wish to utilize analog voice service; and

WHEREAS, Fostering deployment of and access to high-speed Internet service is a national and state policy goal and critical to competition in the voice communications market; and

WHEREAS, The FCC has adopted four principles to encourage broadband deployment and preserve and promote the open and interconnected nature of public Internet where consumers are entitled to: access the lawful Internet content of their choice, run applications and services of their choice, subject to the needs of law enforcement, connect their choice of legal devices that do not harm the network; competition among network providers, application and service providers, and content providers; therefore be it

RESOLVED, That the Commission authorize Staff and General Counsel to promote this policy of consumer choice in communications with all relevant agencies and policymakers at the Federal and State level; and be it further

RESOLVED, That nothing in this resolution is intended to advocate prohibiting the bundling of services over high-speed Internet facilities or requiring the low frequency portion of the loop to be unbundled or offered as a network element.